

By: Ellis, Carona

S.J.R. No. 45

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the legislature
2 to authorize the operation of limited casino gaming by licensed
3 operators and recognized Indian tribes and to authorize the
4 operation of video lottery games by licensed horse and greyhound
5 racetrack operators and recognized Indian tribes, requiring the
6 legislature to create a Texas Gaming Commission to regulate gaming
7 and casino-based development projects in this state, and
8 establishing a higher education trust fund from state gaming
9 revenues to pay tuition and fees for the postsecondary education of
10 Texas high school graduates.

11 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

12 SECTION 1. Section 47, Article III, Texas Constitution, is
13 amended by amending Subsection (a) and adding Subsections (f) and
14 (g) to read as follows:

15 (a) The Legislature shall pass laws prohibiting lotteries
16 and gift enterprises in this State other than those authorized by
17 Subsections (b), (d), [~~and~~ (e), and (f) of this section and Section
18 47a of this article.

19 (f) The Legislature by general law may:

20 (1) authorize one or more of the following legal
21 entities to operate video lottery games:

22 (A) a person licensed in this State to conduct
23 wagering on a horse race or greyhound race and licensed by this
24 State to operate video lottery games on behalf of this State at the

1 location licensed for conducting wagering on horse races or
2 greyhound races; or

3 (B) an Indian tribe recognized by the United
4 States government under federal law on land over which the tribe
5 exercises governmental power; and

6 (2) require all or part of this State's net revenue
7 from the regulation and taxation of casino gaming authorized under
8 Section 47a of this article and video lottery games authorized
9 under this subsection to be deposited in a higher education trust
10 fund that:

11 (A) is held outside the state treasury;

12 (B) is administered under the direction of the
13 comptroller; and

14 (C) may be used only as provided by law to provide
15 for the payment of tuition and fees for resident students of
16 institutions of higher education in this State.

17 (g) For purposes of Subsection (f) of this section, "video
18 lottery game" means any game of chance, including a game of chance
19 in which the outcome may be partially determined by skill or
20 ability, that for consideration may be played by an individual on an
21 electronic machine or video display and in which the player may win
22 a thing of value each time the game is played, regardless of whether
23 the game is authorized as a lottery under Subsection (e) of this
24 section.

25 SECTION 2. Article III, Texas Constitution, is amended by
26 adding Section 47a to read as follows:

27 Sec. 47a. (a) The legislature by general law shall

1 authorize and regulate casino gaming conducted by:

2 (1) a person licensed by this state; or

3 (2) an Indian tribe recognized by the United States
4 government under federal law on land over which the tribe exercises
5 governmental power.

6 (b) The legislature by general law shall establish a Texas
7 Gaming Commission to administer the laws regulating gaming
8 activities authorized by this section or Section 47 of this
9 article. The legislature may provide qualifications for membership
10 on the commission.

11 (c) The Texas Gaming Commission established by the
12 legislature under this section must consist of five members
13 appointed as follows:

14 (1) one member appointed by the governor;

15 (2) one member appointed by the lieutenant governor;

16 (3) one member appointed by the speaker of the house of
17 representatives;

18 (4) one member appointed by the attorney general; and

19 (5) one member appointed by the comptroller of public
20 accounts.

21 (d) Members of the Texas Gaming Commission shall serve
22 staggered terms of six years, with the terms of one or two members
23 expiring January 1 of each even-numbered year.

24 (e) A vacancy on the Texas Gaming Commission shall be filled
25 for the unexpired term in the same manner as the original
26 appointment.

27 (f) The general law enacted under Subsection (a)(1) of this

1 section must authorize the Texas Gaming Commission to license 12
2 casino-anchored destination attraction development projects in
3 this state as follows:

4 (1) seven projects in urban areas, allocated by
5 population;

6 (2) two projects on islands in the Gulf of Mexico that
7 are tourist destinations with at least 1,000 guest rooms available
8 for visitors in hotels, motels, or condominiums existing on January
9 1, 2007; and

10 (3) three additional projects, at locations:

11 (A) determined by the commission to achieve
12 targeted economic development or permanent new job creation; or

13 (B) selected for other considerations determined
14 appropriate by the commission.

15 (g) The commission may not award a license for a
16 casino-anchored destination attraction development project unless
17 the project meets the major economic development qualifications
18 established by this subsection. To qualify for a license, a project
19 must include total land and development costs of at least:

20 (1) \$400 million for an urban area project;

21 (2) \$200 million for an island tourist destination
22 project; and

23 (3) \$150 million for an additional project.

24 (h) A local option election shall be held in the manner
25 determined by general law in each county in which a person applies
26 for a license for a casino-anchored destination attraction
27 development project. The commission may not award a license for a

1 project in any county unless a majority of the voters of the county
2 voting in the election favor the authorization of casino gaming in
3 that county. If a majority of the voters in a county voted for the
4 proposition that added this section to this constitution, the
5 county is considered to have approved the authorization of casino
6 gaming in that county by local option election as required by this
7 subsection.

8 (i) The commission may not award a license for a
9 casino-anchored destination attraction development project to a
10 person unless at least 51 percent of the project will be owned by
11 residents of this state who have maintained their principal
12 residence in this state for not less than the two years preceding
13 September 1, 2007.

14 (j) The legislature by general law may impose additional
15 restrictions on the location of casino-anchored destination
16 attraction developments that are not inconsistent with this
17 section.

18 (k) The legislature shall provide the initial funding for
19 the Texas Gaming Commission through an interest-free loan from the
20 Texas Enterprise Fund in the amount of \$2.5 million. The commission
21 shall repay the loan from the first money received by the commission
22 from license fees received for casino-anchored destination
23 attraction development projects.

24 SECTION 3. This proposed constitutional amendment shall be
25 submitted to the voters at an election to be held November 6, 2007.
26 The ballot shall be printed to provide for voting for or against the
27 proposition: "The constitutional amendment authorizing the

1 legislature to authorize the operation of limited casino gaming in
2 Texas by licensed operators and recognized Indian tribes and to
3 authorize the operation of video lottery games by licensed horse or
4 greyhound racetrack operators and recognized Indian tribes,
5 requiring the legislature to create a Texas Gaming Commission to
6 regulate gaming and casino-based development projects in Texas, and
7 establishing a higher education trust fund using state revenue from
8 casino gaming and video lottery games to pay tuition and fees for
9 the postsecondary education of Texas high school graduates."